Petroleum Trading Lao Public Company

Interim separate financial statements

For the six-month period ended 30 June 2016

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Petroleum Trading Lao Public Company

GENERAL INFORMATION

THE COMPANY

Petroleum Trading Lao Public Company ("the Company"), formerly known as Petroleum Trading Lao Company Limited, is a company incorporated in Lao PDR in accordance with the Enterprise Registration No. 0458 issued by the Enterprise Registration Office, Domestic Trade Department of the Ministry of Industry and Commerce on 3 October 2008 and the subsequent amendments, with the latest is the Registration No. 508 dated 5 December 2014 issued by the Enterprise Registration Office, Department of Enterprise Registration and Management of the Ministry of Industry and Commerce.

The Company's head office is located at Kamphaeng Mueang street, Phonthan village, Xaysettha district, Vientiane capital, Lao PDR.

The Company also has 5 depot branches which are located in Vientiane Capital, Bolikhamxay province, Savanakhet province, Sayyabouly province and Champasack province, Lao PDR.

The principal activities of the Company are to distribute fuel and petroleum products.

BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr. Vang Rattanavong	Chairman (*)
Mrs. Savanhthong Phongsavanh	Vice Chairman
Mr. Chanthone Sitthixay	Vice Chairman
Mrs. Daly Pholsena	Director (*)
Mr. Nouphan Mahaphone	Director (*)
Mrs. Chanthadom Meksavanh	Director
Mr. Bounthanh Chittavong	Director
Mr. Phoxay Chanthavongsa	Director
Mr. Viengkhone Sitthixay	Director

(*) Independent Directors.

MANAGEMENT

Members of the management of the Company during the period and at the date of this report are:

Mr. Chanthone Sitthixay	Chief Executive Officer
Mrs. Chanthadom Meksavanh	Acting Chief Financial Officer
Mr. Phoxay Chanthavongsa	Internal Auditor
Mr. Bounthanh Chittavong	Acting Chief Operating Officer
Mr. Takounsin Xaphackdy	Director of Commercial
Mr. Bounyuen Duangsone	Director of Administration
Mrs. Sengduean Kiosouvath	Director of Accounting

Petroleum Trading Lao Public Company

REPORT OF MANAGEMENT

The management of Petroleum Trading Lao Public Company ("the Company") presents its report and the Company's interim separate financial statements for the six-month period ended 30 June 2016.

STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of the interim separate financial statements which have been prepared in accordance with the accounting policies as described in Note 3 to the interim separate financial statements. These accounting policies are not intended to present the interim separate financial position, the interim separate results of operations and the interim separate cash flows of the Company in accordance with international generally accepted accounting principles. In preparing those interim separate financial statements, the Company's management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim separate financial statements; and
- prepare the interim separate financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

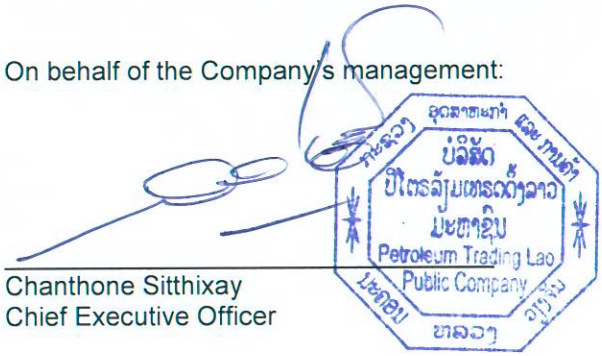
The Company's management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim separate financial position of the Company and for ensuring that the interim separate financial statements comply with the selected accounting policies. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company's management has confirmed that the Company has complied with the above requirements in preparing the accompanying interim separate financial statements.

APPROVAL OF THE INTERIM SEPARATE FINANCIAL STATEMENTS

We hereby approve the accompanying interim separate financial statements for the six-month period ended 30 June 2016 which are prepared in accordance with the accounting policies as described in Note 3 to the interim separate financial statements.

On behalf of the Company's management:



Chanthone Sitthixay
Chief Executive Officer

Vientiane Capital, Lao PDR

26 August 2016

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Reference: 61101883/18743388/LR

REPORT ON REVIEW OF INTERIM SEPARATE FINANCIAL STATEMENTS

To: The shareholders of Petroleum Trading Lao Public Company

We have reviewed the accompanying interim separate balance sheet of Petroleum Trading Lao Public Company ("the Company") as of 30 June 2016 and the related interim separate income statement, interim separate statement of changes in equity and interim separate statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes ("the interim separate financial statements"). Management is responsible for the preparation of these interim separate financial statements in accordance with the accounting policies as described in Note 3 to the interim separate financial statements. Our responsibility is to express a conclusion on these interim separate financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

Prior to 2014, the Company declared corporate income tax ("CIT") with the local tax authorities based on the deemed tax method and these CIT returns were inspected by the local tax authorities. However, this CIT determination method is not consistent with the method regulated under the prevailing CIT regulations and the tax inspection minutes did not indicate the finalized balance of tax payables as at 31 December 2013. Consequently, we are unable to determine whether the method adopted by the Company would be further challenged by another tax authority, and whether any adjustments to the CIT payable balances as at 31 December 2015 and 30 June 2016 were necessary.

The Company is unable to resolve the differences between the statutory value added tax ("VAT") declarations and the accounting books for the years prior to 2014 and although these VAT declarations were inspected by the local tax authorities, the tax inspection minutes did not indicate the finalized balance of tax payables as at 31 December 2013. Owing to the nature of the Company's accounting records, we were unable to determine whether any adjustments to the VAT payable balances as at 31 December 2015 and 30 June 2016 were necessary.

We refer to Note 10 to the interim separate financial statements. The Company has not accounted for the results of the smart card operations, which were managed by Well Tech Lao Co., Ltd. ("Well Tech") during the period from 2013 to 2015 even though it is the legal owner of the smart card operating system and is also the party who signed contracts with the smart card customers. Based on the available information, we are unable to assess whether the Company should consolidate the results of the smart card operations from its inception, and to determine whether any adjustments to the corresponding figures for the six-month period ended 30 June 2015 were necessary.

Building a better working world

We refer to Note 10 to the interim separate financial statements. The Company accounted for the cost of the tangible fixed assets and intangible fixed assets taken back from Well Tech at LAK 852,373,129 and LAK 8,646,670,000, respectively, which were higher than the net book value of these assets at the date of the transaction. Had the Company accounted for these fixed assets at their net book value, the following adjustments would have been made:

- tangible fixed assets, intangible fixed assets and undistributed earnings as at 31 December 2015 would have been decreased by LAK 478,394,955, LAK 2,882,897,460 and LAK 3,361,292,415, respectively;
- tangible fixed assets and intangible fixed assets as at 30 June 2016 would have been decreased by LAK 427,669,735 and LAK 2,738,752,587, respectively, and accumulated losses as at that date would have been increased by LAK 3,166,422,322; and
- profit before tax for the six-month period ended 30 June 2016 would have increased by LAK 194,870,093.

Qualified conclusion

Based on our review, with the exception of the matters described in the preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim separate financial statements are not prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the interim separate financial statements.

Emphasis of matters

We draw attention to Note 2 of the interim separate financial statements. The Company has prepared the interim consolidated financial statements of the Company and its subsidiary for the six-month period ended 30 June 2016 in accordance with the accounting policies as described in Note 3 to the interim consolidated financial statements. We have reviewed these interim consolidated financial statements and our review report dated 26 August 2016 has expressed a modified conclusion.

We also draw attention to Note 3 to the interim separate financial statements, which describes the accounting policies adopted by the Company. These accounting policies are not intended to present the interim seperate financial position, the results of interim seperate operations and the interim seperate cash flows of the Company in accordance with international generally accepted accounting principles.

Our review conclusion on the interim separate financial statement is not modified in respect of these matters.

Ernst & Young

ERNST & YOUNG LAO CO.,LTD

Vientiane, Lao PDR

26 August 2016

Petroleum Trading Lao Public Company

INTERIM SEPARATE BALANCE SHEET
as at 30 June 2016

Currency: LAK

	Notes	30 June 2016	31 December 2015 (Reclassified)
Assets			
Current assets			
Cash	4	15,620,320,626	74,657,189,719
Short-term investments	26	-	11,727,093,359
Trade receivables	5	104,417,829,854	98,642,692,232
Advance to suppliers		7,467,529,396	4,953,370,656
Other receivables	26	36,751,843,087	40,194,690,016
Inventories	6	122,045,664,164	11,737,495,355
Other current assets	7	96,649,080,012	20,724,340,660
		382,952,267,139	**262,636,871,997**
Non-current assets			
Tangible fixed assets	8	117,726,575,738	113,459,945,114
Intangible fixed assets	9	133,079,086,684	132,661,107,070
Investment properties	10	165,951,725,566	152,575,976,414
Construction in progress	11	15,128,977,844	16,261,139,486
Long-term investments	12	32,123,065,571	16,749,572,212
Investment in subsidiary	13	694,221,039	-
Other non-current assets	14	23,240,496,541	20,355,129,514
		487,944,148,983	**452,062,869,810**
Total assets		**870,896,416,122**	**714,699,741,807**
Liabilities and equity			
Current liabilities			
Short term loans and borrowings	15	171,609,491,494	119,244,814,122
Trade payables	16	143,290,312,965	16,901,236,157
Advance from customers		979,580,607	555,256,210
Tax payables	17	4,373,750,518	7,814,428,781
Accruals		667,751,252	2,920,001
Other payables	18	1,041,955,451	210,063,091
		321,962,842,287	**144,728,718,362**
Non-current liabilities			
Long-term loans	19	42,000,000,000	56,000,000,000
		42,000,000,000	**56,000,000,000**
Total liabilities		**363,962,842,287**	**200,728,718,362**
Equity	***20***		
Registered charter capital		470,000,000,000	470,000,000,000
Share premium reserve		27,638,932,340	27,638,932,340
Other statutory reserves		8,483,418,221	3,954,535,958
Undistributed earnings		811,223,274	12,377,555,147
Total equity		**506,933,573,835**	**513,971,023,445**
Total liabilities and equity		**870,896,416,122**	**714,699,741,807**

Chanthadom Meksavanh
Acting Chief Finance Officer

Chanthone Sitthixay
Chief Executive Officer

26 August 2016

Petroleum Trading Lao Public Company

INTERIM SEPARATE INCOME STATEMENT
for the six-month period ended 30 June 2016

Currency: LAK

	Notes	*For the six-month period ended 30 June 2016*	*For the six-month period ended 30 June 2015*
Revenue	21.1	386,894,235,356	421,944,820,305
Cost of sales	22	(344,108,921,619)	(371,174,278,656)
Gross profit		**42,785,313,737**	**50,770,541,649**
Other income		358,701,392	481,797,072
Administrative expenses		(20,900,850,857)	(20,107,180,330)
Selling expenses		(15,273,600,112)	(10,348,307,606)
Other expenses		(94,559,605)	(7,462,772)
Operating profit		**6,875,004,555**	**20,789,388,013**
Finance income	23	3,467,782,205	2,955,827,443
Finance expenses	24	(9,950,621,955)	(6,967,856,398)
Profit before income tax		**392,164,805**	**16,777,359,058**
Corporate income tax expenses	25	(144,614,415)	(3,469,932,658)
Profit after tax		**247,550,390**	**13,307,426,400**

Chanthadom Meksavanh
Acting Chief Finance Officer

Chanthone Sitthixay
Chief Executive Officer

26 August 2016

Petroleum Trading Lao Public Company

INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 2016

Currency: LAK

	Registered, contributed charter capital	*Share premium reserve*	*Other statutory reserves*	*Undistributed earnings*	*Total*
For the six-month period ended 30 June 2015					
Beginning balance	470,000,000,000	27,638,932,340	-	19,772,679,791	517,411,612,131
Profit for the period	-	-	-	13,307,426,400	13,307,426,400
Reserve appropriation	-	-	3,954,535,958	(3,954,535,958)	-
Dividends declared	-	-	-	(15,510,000,000)	(15,510,000,000)
Ending balance	470,000,000,000	27,638,932,340	3,954,535,958	13,615,570,233	515,209,038,531
For the six-month period ended 30 June 2016					
Beginning balance	470,000,000,000	27,638,932,340	3,954,535,958	12,377,555,147	513,971,023,445
Profit for the period	-	-	-	247,550,390	247,550,390
Reserve appropriation (*)	-	-	4,528,882,263	(4,528,882,263)	-
Dividends declared (*)	-	-	-	(7,285,000,000)	(7,285,000,000)
Ending balance	470,000,000,000	27,638,932,340	8,483,418,221	811,223,274	506,933,573,835

(*) Dividends declaration and provision of other statutory reserves were made in accordance with Resolution of Annual General Shareholder meeting dated 26 April 2016.

Chanthadom Meksavanh
Acting Chief Finance Officer

Chanthone Sitthixay
Chief Executive Officer

26 August 2016

Petroleum Trading Lao Public Company

INTERIM SEPARATE STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2016

Currency: LAK

	Notes	*For the six-month period ended 30 June 2016*	*For the six-month period ended 30 June 2015*
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**392,164,805**	**16,777,359,058**
Adjustments for:			
Depreciation of fixed assets and investment properties and amortisation of intangible fixed assets	8, 9, 10	8,880,847,810	7,188,698,695
Provision		368,963,696	1,485,454,402
Profits from investing activities	23	(1,304,656,057)	(2,266,808,392)
Interest expenses	24	8,578,278,914	6,301,191,321
Operating profit before changes in working capital		**16,915,599,168**	**29,485,895,084**
Increase in trade and other receivables		(78,827,064,459)	(22,501,649,912)
Increase in inventories		(111,316,600,773)	(3,330,101,784)
Increase in prepaid expenses		(2,885,367,027)	(14,319,133,686)
Interest paid		(8,578,278,914)	(7,413,041,903)
Corporate income tax paid	25	(800,000,000)	(3,957,827,451)
Increase in trade and other payables		124,321,743,509	6,552,784,394
Net cash flows used in operating activities		**(61,169,968,496)**	**(15,483,075,258)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of fixed assets		(24,605,956,930)	(25,251,148,672)
Loans to other companies		(3,646,400,000)	(24,968,514,500)
Payments for investment in subsidiary		(694,221,039)	-
Net cash flows used in investing activities		**(28,946,577,969)**	**(50,219,663,172)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		200,152,382,786	171,675,667,722
Repayment of borrowings		(161,787,705,414)	(165,744,146,804)
Payment of finance lease liabilities		-	(5,840,775,389)
Dividends paid		(7,285,000,000)	(15,510,000,000)
Net cash flows from/(used in) financing activities		**31,079,677,372**	**(15,419,254,471)**
Net decrease in cash		**(59,036,869,093)**	**(81,121,992,901)**
Cash at the beginning of the period		**74,657,189,719**	**138,122,895,155**
Cash at the end of the period	**4**	**15,620,320,626**	**57,000,902,254**

Chanthadom Meksavanh
Acting Chief Finance Officer

Chanthone Sitthixay
Chief Executive Officer

26 August 2016

1. CORPORATE INFORMATION

Petroleum Trading Lao Public Company ("the Company"), formerly known as Petroleum Trading Lao Company Limited, is a company incorporated in Lao PDR in accordance with the Enterprise Registration No. 0458 issued by the Enterprise Registration Office, Domestic Trade Department of the Ministry of Industry and Commerce on 3 October 2008 and the subsequent amendments, with the latest is the Registration No. 0508 dated 5 December 2014.

The Company's head office is located at Kamphaeng Mueang street, Phonthan village, Xaysettha district, Vientiane capital, Lao PDR. The Company also has 5 depot branches which are located in Vientiane capital, Bolikhamxay province, Savanakhet province, Sayyabouly province and Champasack province, Lao PDR.

The principal activities of the Company are to distribute fuel and petroleum products.

Corporate structure

The Company has a subsidiary, i.e. Petroleum Trading Lao Company Limited which is incorporated in Thailand, with its head office located at 20th floor, Fortune Town building, A zone, Ratchadapisek road, Din Daeng district, Bangkok, Thailand. The principal activity of this subsidiary is to provide warehouse services. The Company owns 99.99% equity interest in this subsidiary as at 30 June 2016.

2. BASIS OF PREPARATION

Purpose of preparation of the interim separate financial statements

The Company has subsidiaries as disclosed in Note 1. The Company has prepared these interim separate financial statements to meet the reporting requirements on public announcement of financial information on the stock exchange. In addition, the Company has also prepared the interim consolidated financial statements of the Company and its subsidiary as at 30 June 2016 and for the six-month period then ended on 26 August 2016.

Users of the interim separate financial statements should read them together with the interim consolidated financial statements of the Company and its subsidiary as at 30 June 2016 and for the six-month period then ended in order to obtain full information on the interim consolidated financial position, interim consolidated results of operations and interim consolidated cash flows of the Company and its subsidiary as a whole.

Basis of preparation

The interim separate financial statements of the Company have been prepared using the historical cost convention. The financial statements are expressed in Lao Kip ("LAK").

The Company's Interim separate financial statements have been prepared in accordance with the accounting policies as set out in Note 3.These accounting policies are not intended to present the financial position, results of operation and cash flows of the Company in accordance with international generally accepted accounting principles.

The accompanying Interim separate financial statements, including their utilisation, are not designed for those who are not informed about the Company's accounting policies as described in Note 3.

Fiscal year

The Company's fiscal year starts on 1 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash comprises cash on hand and cash at banks.

Receivables

Receivables are presented in the interim separate financial statements at the carrying amounts due from customers and other debtors, after provision for doubtful debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified. Amounts for doubtful of collection and bad debts are included in the operating expense account in the interim separate income statement.

The following policy on the provision rates is applied in creating provision for doubtful debts:

Age of receivables	*Rate of provision (%)*
From 6 months to 1 year	30
From 1 to 2 years	50
Above 2 years	100

Prepaid expenses

Prepaid expenses are recognized when paid. Prepayments are amortized over the period for which the amounts are paid or the period in which economic benefits is generated in relation to these expenses.

Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realizable value.

Net realizable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The perpetual method is used to record inventory which are valued based on cost of purchase on first-in, first-out basis.

Provision for decline in value of inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of inventories owned by the Company, based on appropriate evidence of impairment available at the reporting date.

Increases and decreases to the provision balance are recorded into the cost of goods sold in the interim separate income statement.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of a tangible fixed asset consists of purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the interim separate income statement. When an item of tangible fixed asset is sold or retired, their cost and accumulated depreciation are removed from the interim separate balance sheet and any gain or loss resulting from their disposal is included in the interim separate income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible fixed assets

Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use. Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim separate income statement as incurred. When intangible fixed assets are sold or retired, their costs and accumulated amortisation are removed from the interim separate balance sheet and any gain or loss resulting from their disposal is included in the interim separate income statement.

Land use rights

Land use rights are recorded as intangible assets at acquisition cost and upon the transfer of legal title on land use rights certificate. Land use rights with infinite term are not amortised.

Leased assets

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and the arrangement conveys a right to use the asset.

A lease is classified as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the asset to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised in the reporting date at the inception of the lease at the fair value of the leased assets or, if lower, at the net present value of the minimum lease payments. The principal amount included in future lease payments under finance leases are recorded as a liability. The interest amounts included in lease payments are charged to the income statement over the lease term to achieve a constant rate on interest on the remaining balance of the finance lease liability.

Capitalised financial leased assets are depreciated using straight-line basis over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Depreciation and amortisation

Depreciation of tangible fixed assets and intangible assets are calculated on a straight-line basis over their estimated useful life of each asset as follows:

Building and renovation	10 - 20 years
Plant and machinery	5 years
Transportation vehicles	5 - 10 years
Furniture, fittings and office equipment	5 years
Software	5 years
Land use rights with infinite term	No amortization

No depreciation is recorded for assets under construction until the construction and installation is completed at which time the related costs are transferred to fixed assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment properties

Investment properties are stated at cost including transaction costs less accumulated depreciation and/or amortisation.

Subsequent expenditure relating to an investment property that has already been recognized is added to the net book value of the investment property when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing investment property, will flow to the Company.

Depreciation and amortisation of investment properties are calculated on a straight-line basis over the estimated useful life of each asset as follows:

Buildings	10 years
Infinite land use rights	No amortisation

Investment properties are derecognised when either they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the assets is recognised in the interim income statement in the year of retirement or disposal.

Transfers are made to investment properties when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment properties when, and only when, there is change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. The transfer from investment property to owner-occupied property or inventories does not change the cost or the carrying value of the property for subsequent accounting at the date of change in use.

Investments in subsidiary

Investments in subsidiary over which the Company has control are carried at cost.

Distributions from accumulated net profits of the subsidiary arising subsequent to the date of acquisition are recognised in the interim separate income statement. Distributions from sources other than from such profits are considered a recovery of investment and are deducted to the cost of the investment.

Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expense during the year in which they are incurred, except to the extent that they are capitalized as explained in the following paragraph.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

Payables and accruals

Trade and other payables are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

Statutory fuel-price stabilizing reserve fund

The Company is under an obligation to pay a fixed amount per litter of fuel imported to the fuel-price stabilizing reserve to the Government.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Value added tax

Value added tax is the tax liability determined on revenue for the year computed using the applicable tax rate for the year after netting deductible value added tax input.

Corporate income tax

Corporate income tax is the expected tax payable which is computed on the following basis:

- Before 2014: using the deemed tax method, i.e. based on volume of fuel sold, multiplied with the deemed profit tax amount per liter of fuel sold, and any adjustments to tax payable in respect of previous years; and
- Since 2014: estimated taxable income for the year, using tax rate enacted at the reporting date and applicable to the reporting period, and any adjustments to tax payable in respect of previous years.

Personal income tax

Personal income tax is the tax payable on salaries paid to employees for the period determined using applicable tax rate for the period.

Charter capital

Charter capital is recognized at the registered amount in the Company's Business License. Charter capital includes contributed and the un-contributed capital which is also recognized as other receivables from owners at the reporting date.

Charter capital contribution in form of land use rights and buildings is made at an amount agreed between the Company and its shareholders in the capital contribution minutes.

Retained earnings are capitalized into contributed charter capital under approval of shareholders.

Share premium reserve

The share premium is recognized upon issuance of additional shares, at a surplus between the offering price of additional share issuance and the par value, after deduction of share issuance cost (such as underwriting fees and other relevant valuation, consulting costs).

In accordance with guidance under the Letter No. 056/LSCO issued by Lao Securities Commission Office on 28 April 2015, the Company was allowed to distribute 75% of share premium from the Company's initial public offering, after deduction of relevant share issuance costs, to the founding shareholders of the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Appropriation of net profits

Net profit after tax is available for appropriation to shareholders after making appropriation to below reserve funds (as proposed by the Board of Directors and subject to approval by shareholders at the annual general meeting):

Statutory reserve fund

Statutory reserve is set in order to secure against risks, whereby the Company shall annually appropriate 10% of its net profit into the reserve fund, after deducting accumulated losses. When the reserve fund reaches half of the registered capital, the Company may suspend appropriating profit to such fund, except as otherwise provided by the bylaws of the Company.

Other reserve funds

The other reserve funds is required by the Company's Articles of Association that the Company shall annually appropriate 10% of its net profit into the other reserve fund, after deducting accumulated losses in order to protect the Company against loss.

Foreign currency transaction

The financial statements are presented in Lao kip ("LAK"). Transactions in currencies other than LAK are initially recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. All differences are taken to interim separate income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transactions.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from sale of fuel and lubricant

Revenue from fuel and lubricant is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest

Revenue is recognised on an accrual basis using the effective interest method, unless collectability is in doubt.

Rental income

Rental income arising from operating leases is accounted for on a straight line basis over the terms of the lease.

4. CASH

Currency: LAK

	30 June 2016	*31 December 2015*
Cash on hand	76,675,408	51,530,000
Cash in transit	-	48,320,611
Cash at banks (*)	15,543,645,218	74,557,339,108
	15,620,320,626	**74,657,189,719**

(*) Balance of LAK 3,116,759,130 at Lao Development Bank are pledged as collaterals for the Company's borrowings. See Note 15 and 19 for details.

5. TRADE RECEIVABLES

Currency: LAK

	30 June 2016	*31 December 2015*
Trade receivables from related parties (Note 26)	34,040,498,592	33,267,728,833
Trade receivables	72,452,563,678	68,089,664,083
Provision for doubtful debts	(2,075,232,416)	(2,714,700,684)
	104,417,829,854	**98,642,692,232**

6. INVENTORIES

Currency: LAK

	30 June 2016	*31 December 2015 (reclassified)*
Fuel	121,567,307,055	9,975,652,919
Lubricant	1,131,580,194	1,341,996,758
Tools and supplies	355,208,879	419,845,678
Provision for inventories	(1,008,431,964)	-
	122,045,664,164	**11,737,495,355**

8. TANGIBLE FIXED ASSETS

Currency: LAK

	Buildings and structures	*Machineries and equipment*	*Means of transportation*	*Office equipment (**)*	*Total*
Cost:					
Balance as at 1 January 2016	99,041,806,835	38,937,157,923	9,842,579,977	15,889,601,747	163,711,146,482
- New purchase	47,892,460	685,823,622	26,146,165	378,707,296	1,138,569,543
- Transfer from construction in progress	7,661,809,447	2,826,250,087	-	-	10,488,059,534
Balance as at 30 June 2016	106,751,508,742	42,449,231,632	9,868,726,142	16,268,309,043	175,337,775,559
Accumulated depreciation:					
Balance as at 1 January 2016	19,666,151,802	18,222,070,559	5,858,340,328	6,504,638,679	50,251,201,368
- Depreciation for the period	3,030,085,314	2,357,591,848	735,814,337	1,236,506,954	7,359,998,453
Balance as at 30 June 2016	22,696,237,116	20,579,662,407	6,594,154,665	7,741,145,633	57,611,199,821
Net book value:					
Balance as at 1 January 2016	79,375,655,033	20,715,087,364	3,984,239,649	9,384,963,068	113,459,945,114
Balance as at 30 June 2016 (*)	84,055,271,626	21,869,569,225	3,274,571,477	8,527,163,410	117,726,575,738

(*) Certain tangible fixed assets are pledged as collaterals for the Company's borrowings. See Note 15 and 19 for details.

(**) See also disclosure in Note 9 on the acquisition of office equipment from Well Tech Lao Co., Ltd. in 2015.

9. INTANGIBLE FIXED ASSETS

Currency: LAK

	Land use rights with infinite term (*)	*Computer software (**)*	*Total*
Cost:			
Balance as at 1 January 2016	123,892,263,841	8,995,006,300	132,887,270,141
Addition	760,383,000	119,047,000	879,430,000
Balance as at 30 June 2016	124,652,646,841	9,114,053,300	133,766,700,141
Accumulated amortisation:			
Balance as at 1 January 2016	-	226,163,071	226,163,071
Amortisation for the period	-	461,450,386	461,450,386
Balance as at 30 June 2016	-	687,613,457	687,613,457
Net carrying amount:			
Balance as at 1 January 2016	123,892,263,841	8,768,843,229	132,661,107,070
Balance as at 30 June 2016	124,652,646,841	8,426,439,843	133,079,086,684

(*) Certain land use rights in Vientiane, Savanakhet, Luangprabang and Champasak province are pledged as collaterals for the Company's borrowings (see Note 15 and 19).

(**) In 2012, the Company has purchased an operating system for smart card operations (which are used by customers as a credit card for purchase of fuel at the Company's gas stations). The Company has since then allowed Well Tech Lao Co., Ltd. ("Well Tech"), a related party, to operate this system and the Company has accounted for the cost of such operating system as receivables from Well Tech. During the period from 2012 to 2015, the Company has also purchased other tangible fixed assets (i.e. office equipment) for the operations of Well Tech, and has accounted for such purchases as receivables from Well Tech. The Company has also entered into contracts with the customers for the provision of the smart cards, even though the subsequent revenue from those smart card operations are recorded by Well Tech.

On 22 December 2015, the Company has reached an agreement with Well Tech to take back these smart card operations from Well Tech by offsetting the net assets acquired from Well Tech with the outstanding receivables due from this company. Included in the net assets acquired from Well Tech was tangible fixed assets (i.e. office equipment) and intangible fixed assets (i.e. software) whose value were agreed by the Company and Well Tech at LAK 852,373,129 and LAK 8,646,670,000 respectively, which were higher than the net book value of these assets as presented in Well Tech's financial statements on the date of the transaction.

10. INVESTMENT PROPERTIES

Currency: LAK

	Land used rights with infinite term	*Buildings*	*Total*
Cost:			
Balance as at 1 January 2016	123,983,600,703	31,492,915,293	155,476,515,996
Addition	295,451,000	14,139,697,123	14,435,148,123
Balance as at 30 June 2016	124,279,051,703	45,632,612,416	169,911,664,119
Accumulated depreciation:			
Balance as at 1 January 2016	-	2,900,539,582	2,900,539,582
Depreciation for the period	-	1,059,398,971	1,059,398,971
Balance as at 30 June 2016	-	3,959,938,553	3,959,938,553
Net carrying amount:			
Balance as at 1 January 2016	123,983,600,703	28,592,375,711	152,575,976,414
Balance as at 30 June 2016	124,279,051,703	41,672,673,863	165,951,725,566

These investment properties represent the lands, buildings and gas stations in Vientiane Capital, Lao PDR which are leased to the Company's related parties including Phonthan Plus Gas Station (PLUS 1), Nongheo Plus Gas Station (PLUS 2), Phakhao Plus Gas Station (PLUS 3), Phadaeng Plus Gas Station (PLUS 4), VSV Plus Gas Station (PLUS 5), Nongphaya Plus Gas Station (PLUS 7), Donekoy Plus Gas Station (PLUS 8); Khoua Louang Gas Station (PLUS); and other land lots in Savanakhet province where the Company plans to construct gas stations for lease. During the period, the Company terminated the lease agreement with Salakham Plus Gas Station (PLUS 9), a related party. However, PLUS 9 still continues to operate this station to the date of these interim separate financial statements.

Certain land use rights in Savanakhet province are pledged as collaterals for the Company's borrowings (see Note 15 and 19).

11. CONSTRUCTION IN PROGRESS

Currency: LAK

	30 June 2016	*31 December 2015*
Vientiane Mai 450 Depot	4,557,002,573	-
New ERP system	2,132,799,419	1,904,024,305
Meuang Ngeun Gas Station	1,141,472,500	-
Fuel Tanks for gas stations	914,268,600	-
Roofs Knockdown Gas Station	879,670,186	-
Souksomboun 1 Gas Station	846,557,351	-
Nakhae Gas Station	756,835,189	-
Black Canyon and Daily Mart Project	724,282,408	599,526,208
VSV Plus Gas Station (PLUS 5)	115,379,229	3,317,451,711
Sampana Gas Station	-	2,644,792,612
Khualuong Gas Station	-	3,493,013,333
Others	3,060,710,389	4,302,331,317
	15,128,977,844	**16,261,139,486**

12. LONG-TERM INVESTMENTS

Currency: LAK

	30 June 2016	*31 December 2016*
Unsecured loan receivables from related parties (Note 26)	32,123,065,571	16,749,572,212
	32,123,065,571	**16,749,572,212**

Details of unsecured loan receivables from related parties are as follows:

Borrower	*Contract date*	*Ending balance (LAK)*	*Original amount*	*Term/Maturity date (*)*	*Interest rate (% p.a.)*
Sithi Logistics Lao Co., Ltd. (*)	15 March 2015	11,727,093,359	LAK 11,727,093,359	31 October 2016	6.5% - 11%
	1 February 2016	3,646,400,000	THB 16,000,000	31 January 2017	6.5%
Lao Daily Mart Import – Export Co., Ltd. (*)	1 February 2012	16,749,572,212	LAK 16,749,572,212	31 October 2016	6.5% - 11%
		32,123,065,571			

(*) As of the date of these interim separate financial statements, the Company still classifies these loan receivables under non-current assets since the Company is in the process of renewing the payment term and maturity date for these loans.

13. INVESTMENT IN SUBSIDIARY

Currency: LAK

	30 June 2016		*31 December 2015*	
Name	*Ownership (%)*	*Voting right (%)*	*Ownership (%)*	*Voting right (%)*
Petroleum Trading Lao Company Limited	99.99	99.99	-	-

See Note 1 for more details of the Company's subsidiary.

14. OTHER NON-CURRENT ASSETS

Currency: LAK

	30 June 2016	*31 December 2015*
Prepaid land rental	23,240,496,541	20,355,129,514
	23,240,496,541	**20,355,129,514**

15. SHORT-TERM LOANS AND BORROWINGS

Currency: LAK

	30 June 2016	*31 December 2015*
Short-term loans from banks	157,609,491,494	103,284,814,122
Current portion of long-term loans (Note 19)	14,000,000,000	15,960,000,000
	171,609,491,494	**119,244,814,122**

15. SHORT-TERM LOANS AND BORROWINGS (continued)

Details of short-term loans from banks are as follows:

		Ending balance			Interest rate	
Lender	*Contract*	*LAK equivalent*	*Original currency*	*Maturity date*	*(p.a.)*	*Collateral*
ANZ Bank Lao Limited	No. 019/2015	28,939,451,494	USD 3,582,766	1 year, the last instalment is due on 27 August 2016	8%	Land lots in Vientiane, Savanakhet and Luangprabang provinces with total area of 31,029 m^2
Lao Development Bank	No. 062/04/2015, Date 6 April 2015	29,980,000,000	LAK 29,980,000,000	1 year, the last instalment is due on 6 October 2016	10.5%	Land lots, houses, building and petro tanks in Savannakhet, Champasak and Vientiane provinces along with two bank account balances.
Phongsavanh Bank	No. 0385.15, Date 13/10/2015	64,616,000,000	USD 8,000,000	1 year, the last instalment is due on 20 October 2016	8%	Land lot in Vientiane Capital owned by Company with total area of 22,244 m^2 and Land lot in Pakse District, Champasak Province owned by Mr. Chanthone Sitthixay with total area of 2,249 m^2.
	No. 0385.15, Date 13/10/2015	34,074,040,000	THB 148,000,000	7 April 2017	8%	
		157,609,491,494				

16. TRADE PAYABLES

Currency: LAK

	30 June 2016	*31 December 2015*
Trade payables	139,663,883,959	14,152,671,311
Trade payable to the related parties (Note 26)	3,626,429,006	2,748,564,846
	143,290,312,965	**16,901,236,157**

17. TAX PAYABLES

Currency: LAK

	30 June 2016	*31 December 2015*
Corporate income tax (Note 25)	419,705,795	1,075,091,380
Value added tax	703,619,396	724,053,738
Personal income tax	140,562,004	66,682,726
Other taxes and statutory payables (*)	3,109,863,323	5,948,600,937
	4,373,750,518	**7,814,428,781**

(*) Other taxes represent road tax, excise tax, import tax and statutory fuel-price stabilizing reserve fund fee at the reporting date.

18. OTHER PAYABLES

Currency: LAK

	30 June 2016	*31 December 2015*
Payable to employees	888,150,007	-
Social security payable	38,179,469	55,962,097
Other payables	115,625,975	154,100,994
	1,041,955,451	**210,063,091**

19. LONG-TERM LOANS AND BORROWINGS

Currency: LAK

	30 June 2016	*31 December 2015*
Loans from banks	56,000,000,000	71,960,000,000
	56,000,000,000	**71,960,000,000**
In which:		
Current portion of long-term loan (Note 15)	*14,000,000,000*	*15,960,000,000*
Non-current portion	*42,000,000,000*	*56,000,000,000*

19. LONG-TERM LOAN AND BORROWING (continued)

Details of the long-term loan from bank as at 30 June 2016 are as follows:

Lender	*Contract*	*Ending balance LAK*	*Maturity date*	*Interest rate (p.a.)*	*Collaterals*
Lao Development Bank	No. 063/04/2015, Date 6 April 2015	56,000,000,000	The first payment for the principle is 6 April 2016 and the last payment is 6 April 2020	10.5%	Land lots, houses, building and petro tanks in Savannakhet, Champasak and Vientiance provinces along with two bank account balances.
	In which: current portion	*14,000,000,000*			
		56,000,000,000			

20. OWNER'S EQUITY

20.1 Shares

	Quantity
Authorized shares	**235,000,000**
Issued and paid-up shares	
Ordinary shares	235,000,000
Preference shares	-
Shares in circulation	
Ordinary shares	235,000,000
Preference shares	-

Shares of the Company (under the ticker "PTL") have been officially listed on Lao Securities Exchange since 10 December 2014 in accordance with Listing License No. 005 dated 26 November 2014. The par value of the share is LAK 2,000.

20.2 Dividends

Currency: LAK

	For the six-month period ended 30 June 2016	*For the six-month period ended 30 June 2015*
Dividends declared and paid during the period	**7,285,000,000**	**15,510,000,000**
Dividends on ordinary shares for 2015: LAK 31 per share (2014: LAK 66 per share)	7,285,000,000	15,510,000,000

21. REVENUE

21.1 Revenue from sales of goods and rendering of services

Currency: LAK

	For the six-month period ended 30 June 2016	*For the six-month period ended 30 June 2015*
Sales of fuel	384,566,152,450	419,181,064,755
Revenue from leasing activities	1,415,161,785	1,657,288,618
Sales of lubricant	649,880,361	1,175,626,364
Revenue from Plus card fees	268,186,596	-
Less: Sales deduction	(5,145,836)	(69,159,432)
	386,894,235,356	**421,944,820,305**

21. REVENUE (continued)

21.2 Revenue and expense relating to investment properties

Currency: LAK

	For the six-month period ended 30 June 2016	*For the six-month period ended 30 June 2015*
Rental income from investment properties	1,415,161,785	1,657,288,618
Direct operating expenses of investment properties that generated rental income during the year	(1,059,398,971)	(791,649,122)

22. COST OF SALES

Currency: LAK

	For the six-month period ended 30 June 2016	*For the six-month period ended 30 June 2015*
Cost of fuel sold	342,444,084,082	369,401,280,727
Cost of leasing activities	1,059,398,971	791,649,122
Cost of lubricant sold	605,438,566	981,348,807
	344,108,921,619	**371,174,278,656**

23. FINANCE INCOME

Currency: LAK

	For the six-month period ended 30 June 2016	*For the six-month period ended 30 June 2015*
Interest income on loans to the related parties	1,304,656,057	2,266,808,392
Early payment discount from suppliers	676,399,299	384,955,007
Foreign exchange difference gain	1,180,455,765	300,262,875
Late payment interest from Plus card customers	306,271,084	-
Others	-	3,801,169
	3,467,782,205	**2,955,827,443**

24. FINANCE EXPENSES

Currency: LAK

	For the six-month period ended 30 June 2016	*For the six-month period ended 30 June 2015*
Interest expenses	8,578,278,914	6,301,191,321
Foreign exchange difference losses	1,372,343,041	666,665,077
	9,950,621,955	**6,967,856,398**

25. CORPORATE INCOME TAX

CIT determination method applied by the Company before 2014

In the years before 2014, the Company determined the CIT obligations using the deemed tax method, i.e. based on volume of fuel sold, multiplied with the deemed profit tax amount per little of fuel sold. The Company's CIT returns, as prepared under the deemed tax method, have also been inspected by the local tax authorities up to the year ended 31 December 2013.

CIT determination method applied by the Company since 2014

Since 2014, the current tax payable is based on taxable profit for the year. The taxable profit of the Company for the period differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted at the reporting date.

Under the Revised Tax Law No. 05/NA dated 20 December 2011, which is effective on or after 1 January 2013, the Company is subject to corporate income tax ("CIT") at the rate of 24% of its estimated taxable profit recorded under the Lao Accounting System. Furthermore, as a company listed in the Stock exchange, the Company are also entitled to a 5% deduction from the normal CIT rate for 4 years commencing from the listing date according to Tax Law issued by National Assembly of Lao PDR. As a result, the statutory applicable CIT rate for the Company during this period is 19% of taxable profit.

The reconciliation between the profit before tax and taxable profit is presented below:

Currency: LAK

	For six-month period ended 30 June 2016	*For six-month period ended 30 June 2015*
Profit before tax	**392,164,805**	**16,777,359,058**
Adjustment to increase accounting profit		
Provision for doubtful debts	(639,468,268)	1,485,454,402
Provision for decline in value of inventories	1,008,431,964	-
Taxable profit	**761,128,501**	**18,262,813,460**
Estimated current CIT expenses	**144,614,415**	**3,469,932,658**
CIT payable at beginning of the period	1,075,091,380	3,007,437,172
CIT paid during the period	(800,000,000)	(3,957,827,451)
CIT payable at the end of the period (Note 17)	**419,705,795**	**2,519,542,379**

As the tax returns filed by the Company are subject to examination by the tax authorities and since the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

26. TRANSACTION WITH RELATED PARTIES

Significant transactions with the related parties during the period were as follows:

Currency: LAK

Related parties	*Relationship*	*Transactions*	*For six-month period ended 30 June 2016*	*For six-month period ended 30 June 2015*
Mr. Chanthone Sitthixay	Chief Executive Officer and founding shareholder	Payment on behalf	600,000,000	1,625,000,000
		Dividends payment, which is used to net-off with other receivable due from the related party	5,363,000,000	-
Petroleum Trading Lao Company Limited	Subsidiary	Contribution of capital	694,221,039	-
		Warehouse rental fee	3,141,389,234	-
		Payment for warehouse rental fee	3,141,389,234	-
Khouanchay Trading Import – Export Ltd.	Under common control	Loan to related party	-	8,000,000,000
		Loan interest income	-	817,533,366
Lao Daily Mart Import – Export Co. Ltd	Under common control	Loan to related party	-	6,000,000,000
		Loan interest income	794,962,320	612,927,729
		Rental income	129,883,855	142,722,300
Sithi Logistics Lao Co., Ltd.	Under common control	Loan to related party	3,646,400,000	10,632,000,000
		Sales of fuel	1,352,752,727	1,858,100,000
		Disposal of vehicles	-	16,085,642,483
		Transportation charges	9,440,028,709	8,869,337,248
		Loan interest income	509,693,737	248,635,747
		Rental income	112,389,295	123,503,568
		Collection from sales of fuel	1,491,944,000	2,274,310,000
		Payment for transportation charges	8,439,718,487	8,131,945,558
CS Holding Company Limited	Under common control	Payment on behalf	550,784,409	-
		Collection of payment on behalf	550,784,409	-

26. TRANSACTION WITH RELATED PARTIES (continued)

Significant transactions with the related parties during the period were as follows: (continued)

Currency: LAK

Related parties	*Relationship*	*Transactions*	*For six-month period ended 30 June 2016*	*For six-month period ended 30 June 2015*
Phonethan Plus Gas Station (PLUS 1)	Under common control	Sales of fuel	10,626,554,545	1,858,100,000
		Rental income	147,272,727	81,000,000
		Collection from sales of fuel	11,758,687,500	5,609,611,500
		Collection of rental income	162,000,000	63,888,773
Nongheo Plus Gas Station (PLUS 2)	Under common control	Sales of fuel	4,975,681,818	3,373,372,727
		Rental income	92,727,273	102,000,000
		Collection from sales of fuel	5,785,274,650	4,699,559,000
		Collection of rental income	125,380,000	89,240,000
Phakhao Plus Gas Station (PLUS 3)	Under common control	Sales of fuel	13,777,572,727	13,233,454,545
		Rental income	305,454,545	336,000,000
		Collection from sales of fuel	14,899,416,000	14,770,709,000
		Collection of rental income	336,000,000	343,700,000
Phadaeng Gas Station (PLUS 4)	Under common control	Sales of fuel	3,631,163,636	5,453,390,909
		Rental income	223,636,364	246,000,000
		Collection from sales of fuel	4,671,509,000	5,594,207,500
		Collection of rental income	246,000,000	194,000,000
VSV Plus Gas Station (PLUS 5)	Under common control	Sales of fuel	1,840,827,273	-
		Rental income	55,070,452	-
		Collection from sales of fuel	2,024,910,000	-
Nongbua Thong Plus Gas Station (PLUS 6)	Under common control	Sales of fuel	-	4,412,572,727
		Rental income	-	99,000,000
		Collection from sale of fuel	206,851,100	4,896,577,000
		Collection of rental income	-	102,200,000
Khoua Louang Gas Station (PLUS)	Under common control	Sales of fuel	5,587,127,273	-
		Rental income	109,090,909	-
		Collection from sale of fuel	5,100,300,000	-

26. TRANSACTION WITH RELATED PARTIES (continued)

Significant transactions with the related parties during the period were as follows: (continued)

Currency: LAK

Related parties	*Relationship*	*Transactions*	*For six-month period ended 30 June 2016*	*For six-month period ended 30 June 2015*
Nongphaya Plus Gas Station (PLUS 7)	Under common control	Sales of fuel	575,018,182	1,661,700,000
		Rental income	35,090,910	111,400,000
		Collection from sale of fuel	755,944,850	1,694,844,000
		Collection of rental income	66,400,000	126,400,000
Donekoy Plus Gas Station (PLUS 8)	Under common control	Sales of fuel	10,581,727,273	12,446,690,909
		Rental income	204,545,455	225,000,000
		Collection from sales of fuel	10,645,012,000	13,872,103,000
		Collection of rental income	225,000,000	225,000,000
Salakham Plus Gas Station (PLUS 9)	Under common control	Sales of fuel	7,801,327,273	7,499,772,727
		Rental income (*)	-	96,000,000
		Collection from sales of fuel	8,660,980,900	8,019,304,000
		Collection of rental income	-	102,000,000
Vangvieng Plus Gas Station	Under common control	Sales of fuel	4,506,363,636	-
		Collection from sales of fuel	5,135,190,000	-
Phonhong Plus Gas Station	Under common control	Sales of fuel	2,723,663,636	-
		Collection from sales of fuel	3,181,690,000	-
Phongsavanh Bank	Affiliate	Borrowing	98,690,040,000	-
Sithi Logistics (Thailand) Co., Ltd	Under common control	Transportation charges	10,286,241,387	-
		Payment for transportation charges	10,343,257,335	-
Well Tech Lao Co., Ltd.	Under common control	Rental income	-	94,662,750
		Loan interest income	-	429,074,373

(*) As disclosed in Note 11, during the period, the Company terminated the lease agreement with Salakham Plus Gas Station (PLUS 9) even though the fuel supply agreement with this company is still continued.

Terms and conditions

Transactions with related parties are made on the basis of contract negotiations. Except for unsecured interest-bearing loan receivables, other outstanding balances at the reporting date are unsecured, interest-free and will be settled in cash. Payments of operating expenses on behalf of the Company are interest-free, reimbursed at actual cost incurred.

26. TRANSACTION WITH RELATED PARTIES (continued)

Terms and conditions (continued)

For the six-month period ended 30 June 2016, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (31 December 2015: nil). This assessment is undertaken each financial period through the examination of the financial position of the related party and the market in which the related party operates.

Amounts due to and due from related companies at the reporting date were as follows:

Currency: LAK

Related parties	*Relationship*	*Transaction*	*30 June 2016*	*31 December 2015*
Short-term investment				
Sithi Logistics Lao Co., Ltd.	Under common control	Loan receivable	-	11,727,093,359
			-	**11,727,093,359**
Trade receivables (Note 5)				
Sithi Logistics Lao Co., Ltd.	Under common control	Rental fee	7,579,443,984	7,455,815,760
		Disposal of vehicles	16,149,973,862	16,139,117,983
		Sales of fuel	96,619,000	
Lao Daily Mart Import - Export Co., Ltd.	Under common control	Rental fee	429,289,980	286,417,740
Standard PLUS 1 Gas Station	Under common control	Rental fee	27,000,000	27,000,000
		Sales of fuel	1,899,020,000	1,968,497,500
Nongheo Plus Gas Station (PLUS 2)	Under common control	Rental fee	17,000,000	40,380,000
		Sales of fuel	901,779,350	1,213,804,000
Phakhao Gas Station (PLUS 3)	Under common control	Rental fee	56,000,000	56,000,000
		Sales of fuel	1,999,020,000	1,743,106,000
Phadaeng Gas Station (PLUS 4)	Under common control	Rental fee	41,000,000	41,000,000
		Sales of fuel	1,609,014,000	1,456,303,000
Nongbua Thong Plus Gas Station (PLUS 6)	Under common control	Sales of fuel	325,370,500	532,221,600
Nongphaya Plus Gas Station (PLUS 7)	Under common control	Rental fee	30,000,000	36,400,000
		Sales of fuel	518,657,500	642,082,350
Donekoy Plus Gas Station (PLUS 8)	Under common control	Rental fee	37,500,000	37,500,000
		Sales of fuel	1,314,670,000	319,782,000
Salakham Plus Gas Station (PLUS 9)	Under common control	Sales of fuel	-	76,450,900
Khoua Louang Gas Station (PLUS)	Under common control	Rental fee	120,000,000	-
Vangvieng Plus Gas Station	Under common control	Sales of fuel	563,350,000	741,540,000
Phonhong Plus Gas Station	Under common control	Sales of fuel	268,650,000	454,310,000
Khouanchay Trading Import – Export Ltd.	Under common control	Receivable from Plus card services	57,140,416	-
			34,040,498,592	**33,267,728,833**

26. TRANSACTION WITH RELATED PARTIES (continued)

Amounts due to and due from related companies at the reporting date were as follows: (continued)

Currency: LAK

Related parties	*Relationship*	*Transaction*	*30 June 2016*	*31 December 2015*
Other receivables				
Mr Chanthone Sitthixay	Chief Executive Officer	Payment on behalf	5,976,877,700	10,739,877,700
		Interest-free loan receivables	22,497,682,340	22,497,682,340
Khouanchay Trading Import – Export Ltd.	Under common control	Payment on behalf	167,100	-
Lao Daily Mart Import – Export Co. Ltd	Under common control	Payment on behalf	2,774,748,671	2,787,863,657
		Interest receivable	3,452,935,846	2,657,973,526
Sithi Logistics Lao Co., Ltd.	Under common control	Payment on behalf	551,314,113	522,869,213
	Under common control	Interest receivable	1,498,117,317	988,423,580
			36,751,843,087	**40,194,690,016**
Other current assets (Note 7)				
Petroleum Trading Lao Company Limited	Subsidiary	Warehouse rental deposit	7,391,504,340	-
		Advance for pre-operating costs	2,054,308,411	2,795,342,852
			9,445,812,751	**2,795,342,852**

26. TRANSACTION WITH RELATED PARTIES (continued)

Amounts due to and due from related companies at the reporting date were as follows: (continued)

Currency: LAK

Related parties	*Relationship*	*Transaction*	*30 June 2016*	*31 December 2015*
Long-term investments (Note 12)				
Sithi Logistics Lao Co., Ltd.	Under common control	Loan receivable	15,373,493,359	-
Lao Daily Mart Import – Export Co., Ltd.	Under common control	Loan receivable	16,749,572,212	16,749,572,212
			32,123,065,571	**16,749,572,212**
Trade payables (Note 16)				
Sithi Logistics Lao Co., Ltd.	Under common control	Transportation charges	2,655,511,262	1,655,201,040
Sithi Logistics (Thailand) Co.,Ltd	Under common control	Transportation charges	970,917,744	1,093,363,806
			3,626,429,006	**2,748,564,846**
Short-term loans and borrowings (Note 15)				
Phongsavanh Bank	Affiliate	Borrowing	98,690,040,000	32,512,000,000
			98,690,040,000	**32,512,000,000**

Other transactions with related parties

Remuneration to management during the period is as below:

Currency: LAK

	For six-month period ended 30 June 2016	*For six-month period ended 30 June 2015*
Salaries and bonus	1,627,867,158	1,448,679,426
	1,627,867,158	**1,448,679,426**

29. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures in the financial statements for the year ended 31 December 2015 and in the interim financial statements for six-month period ended 30 June 2015 have been reclassified to reflect the presentation of current period's interim separate financial statements. Details are as below:

		As previously presented LAK	*Reclassification LAK*	*Reclassified LAK*
Balance sheet as at 31 December 2015				
Inventories	(i)	11,317,649,677	419,845,678	11,737,495,355
Other current assets	(i)	21,144,186,338	(419,845,678)	20,724,340,660
Other statutory reserves	(ii)	-	3,954,535,958	3,954,535,958
Undistributed earnings	(ii)	16,332,091,105	(3,954,535,958)	12,377,555,147
Interim income statement for the six month period ended 30 June 2015				
Other income	(ii)	16,567,439,555	(16,085,642,483)	481,797,072
Other expense	(ii)	(16,093,105,255)	16,085,642,483	(7,462,772)

(i) Adjustment to reclassify tools and supplies from other current assets to inventories.

(ii) Adjustment to increase other statutory reserves which was appropriated from undistributed earnings in accordance with the Resolution of Annual General Shareholders meeting dated 5 June 2015.

(iii) Adjustment to net off the proceeds from assets disposal against cost of disposed assets.

30. APPROVAL FOR ISSUE

The interim separate financial statements as at 30 June 2016 and for the six-month period then ended were authorised for issue by the Company's management on 26 August 2016.

ChanthadomMeksavanh
Acting Chief Finance Officer

ChanthoneSitthixay
Chief Executive Officer

26 August 2016